



Foreign Agricultural Service

**GAIN Report**

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## Canada

## Wine

# Alcoholic Beverage Consumption in Canada 2000

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### Report Highlights:

**Canadian consumption of red wine grew more than 10% for the sixth straight year; red wine accounts for 47% of wine sales. However, beer sales continue to far outweigh the sale of other alcohol, accounting for 83% of all alcohol sold.**

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Includes PSD changes: No  
Includes Trade Matrix: No

Unscheduled Report  
Ottawa [CA1], CA

The following article is taken from a 6/23/00 National Post article:

Begin Text:

Red wine gains favour among Canadians: Yukoners are top drinkers, stats show

Canadians are becoming more sophisticated consumers of wine, according to a Statistics Canada report released yesterday. The report, which summarizes the alcohol-purchasing habits of Canadians, found that sales of red wine, both imported and domestic, grew more than 10% for the sixth straight year.

Red wine accounted for 47% of sales, up from 28% a decade ago. The volume of red wine sales also increased by 10.2% while sales of white wine fell 0.1%. "There has been a substantial swing toward red wines over the last few years," said Frank Baldock, president of the Wine Writers Circle of Canada and publisher of Wine Express.

"The normal progression for people interested in wine is that they generally start with lighter whites with a little sweetness and, as they develop their interest, they start to explore reds ... Canada is becoming a more sophisticated wine-drinking culture. The level of knowledge in Canada is dramatically higher than it was 20 years ago."

However, it was imported wines rather than domestic brands that benefited most from the increase in wine consumption. Despite three years of price increases, imported wine sold more than 150-million litres, an increase of 7.3% over the previous year, while sales of domestic wine rose only 2% to 122-million litres. "A key factor here is that there's been a change in the tax status in Canadian wines over the last 10 years because of the phase-out of tariff protection," said Mr. Baldock. "Now Canadian wines are on the same footing as imports. There's the perception that the price of Canadian wines has increased, when in fact they've just caught up with imports. And probably, the perception that Canadian wines are at least the equal of imported wines, is a step or two behind the perception of price increase."

At least one industry insider blamed increased taxes for the slower growth in sales of domestic wines. "The taxes are now so high that if you increase the taxes by another 5%, there would be no wine industry," said Tom Muckle, a wine-maker for Thirty Bench Wines in Ontario. "In other countries, governments tend to help industries that are doing well and in terms of quality, we're doing extremely well." However, despite the growth in wine's popularity, the new figures suggest Canada is a long way from losing its reputation as a nation of beer drinkers. Sales of beer far outweighed the sales of other alcohol, accounting for 83% of all alcohol sales (2.1-billion litres out of a total of 2.5 billion).

The average Canadian bought 85.3 litres of beer last year, compared with 11.2 litres of wine and 6.1 litres of spirits. Canada is also ranked 5th in per-capita wine consumption, according to figures provided by the California-based Wine Institute, which lists Luxembourg, France and Italy as the world's leading consumers of wine. Quebecers bought 41% of all the red wine sold in Canada. The province also had the highest per-capita sales of white wine. Newfoundlanders bought the least wine.

Yukoners accounted for the highest per-capita consumption of domestic beer, drinking 143.3 litres each. They also had the highest per-capita sales of spirits and wine. In per-capita sales of various spirits, Manitoba preferred whisky, the Northwest Territories went for vodka, Newfoundland stuck to its traditional rum and Quebec had the highest sales of gin.

ALCOHOL CONSUMPTION IN CANADA, 1998-1999:				
Average litres per capita				
	Spirits	Wines	Beer	TOTAL
CANADA	6.1	11.2	85.3	102.6
Yukon	12.8	17.7	143.3	173.8
Alberta	8.0	12.2	91.3	111.5
Quebec	2.6	14.2	94.4	111.1
B.C.	7.0	13.8	81.0	101.8
Newfoundland	7.1	4.1	89.7	100.9
Ontario	6.9	10.2	82.3	99.4
N.W.T.	9.7	7.0	79.3	95.9
Manitoba	8.3	7.3	77.1	92.7
Nova Scotia	7.4	6.7	77.8	91.9
P.E.I.	7.0	6.0	76.3	89.4
New Brunswick	5.7	5.9	77.2	88.9
Saskatchewan	8.1	4.7	72.7	85.5

Source: Statistics Canada

End Text.

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